

Summary of the Act on the Protection and Utilization of Critical Economic Security Information

Point

The importance of preventing acts that harm the security of the State and its citizens in relation to economic activities has increased. It is important to establish a system for properly protecting information concerning critical economic foundation which is particularly required to be kept secret in order to ensure the national security and collect, coordinate, and utilize information.

A system is needed to determine necessary matters such as the designation of critical economic security information, provision of critical economic security information to contractors conducting activities that contribute to ensuring the national security, and restrictions on persons who handle critical economic security information, thereby preventing unauthorized disclosure and contributing to ensuring the security of Japan and its citizens.

Summary

1. Designation of Critical Economic Security Information

Critical Economic Security Information	Certain information concerning critical economic foundation (critical infrastructure and supply chains of products), which is not publicly disclosed and particularly required to be kept secret due to the risk of causing damage to the national security, if disclosed without authorization (e.g., information related to cyber threats and countermeasures and information related to vulnerabilities in the supply chain).
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- The government is to take necessary measures for the protection of that information, such as determining the scope of officials who are assigned to perform the duty of handling critical economic security information.
- Designation period is up to 5 years. It can be extended, but in principle cannot exceed 30 years.

2. Provision of Critical Economic Security Information

- The head of an administrative organ
 - may provide critical economic security information to other administrative organ when finding it necessary for that administrative organ to use the information;
 - is to provide critical economic security information to the Diet, courts, etc. when finding that there is no risk of causing severe damage to the national security;
 - may provide critical economic security information based on a contract with an eligible contractor (i.e. a business operator that conforms to the security standards specified by a Cabinet Order) when finding it necessary to promote activities that contribute to ensuring the national security, such as the elimination of vulnerabilities in the critical economic foundation.

3. Restrictions on Persons Who Handle Critical Economic Security Information

- The duty of handling critical economic security information is restricted to those who have been found to have no risk of unauthorized disclosure of critical economic security information in the security clearance assessment.

*A person who is found to have no risk of unauthorized disclosure of a specially designated secret if the person performs the duty of handling the specially designated secrets in the security clearance assessment under the Act on the Protection of Specially Designated Secrets may perform the duty of handling critical economic security information.

4. Security Clearance Assessment

- The head of an administrative organ, after obtaining the consent of the individual, conducts an assessment (security clearance assessment) as to whether there is no risk of unauthorized disclosure based on the results of the investigation by the Prime Minister (the validity period of the security clearance assessment is 10 years).

[Details of investigation] Matters concerning:

(1) the relationship of the person subject to assessment with any harmful activities against critical economic foundation; (2) criminal and disciplinary records; (3) records of improper conduct in connection with the handling of information; (4) abuse and the influence of drugs; (5) mental disorders; (6) moderation in drinking alcohol; and (7) credit status and other financial situation

- If the person subject to the assessment is a person who has been found to have no risk of unauthorized disclosure of critical economic security information in the most recent security clearance assessment (limited to those conducted less than 10 years ago) conducted by the head of an administrative organ other than the administrative organ conducting the security clearance assessment, the security clearance assessment can be conducted without another investigation (based on the results of the most recent security clearance assessment).
- The same investigation and assessment are to be conducted for employees of eligible contractors that handle critical economic security information.

5. Penalties

- Establish penalties such as imprisonment for not more than five years or a fine of not more than 5 million yen, or both, for unauthorized disclosure of critical economic security information.